HAROLD F. HYNES

615 South Fourth
Atwood, Kansas 67730

TEL. 785-626-3100

February 15, 2003

TO:

Ms. Natalie A. Pass, Examiner
Organization TAC3600, Bldg.Room CPK5
Patent Office
Washington, D.C. 20231   Application No. 09/945,467

I have attempted to satisfy the need for better coordination of my description material, as enclosed, and hope you find this workable. It would replace pages 10-29 of the application. I removed the old page numbers and marked a new set of numbers in pencil on the back of the pages, in case they get out of place.

One new form, Purchase Menu, Fig. 2 has been added in support of the One Page Purchasing System Workflow Chart, Fig. 1, to illustrate the approach to researching the need and direction for the purchase document, and help complete the description.

The system is characteristically simple, with one key document, recognizing its content for action, with a confirmation at each point, and not encumbered with a massive amount of details which might normally accompany a patent application.

Please let me know if this can fulfill our needs, and what else I can do.

Thanks for your continued assistance.

With Best Regards.

Harold F. Hynes

DETAILED DESCRIPTION

These details are shown here in two forms: (1) a set of workflow charts, order documents and worksheets, FIG. 1-15 and (2) a descriptive listing of software to support the different locations of actions operating in the One Page Purchasing System. FIG. 16.

The workflows contain a chart summarizing the total system, FIG. 1, entitled "One Page Purchasing System", which shows the process of seeking resources to initiate a purchase document, and select the type of document required, from the Purchase Menu, FIG.2, followed by graphic directions to individual workflow charts.

Additional workflow charts represent each of the three possible document types, (1) Items Over $_____,PD, FIG. 3, (2) Purchase Short Orders PSO, Items Under $_____, FIG. 4, and (3) Contract Purchases CP FIG. 5. These charts chronologically describe each step in the system, with graphics showing the location direction of actions between each step.

A different order document is used for each of the three forms of workflow charts: PD – FIG. 6, PSO – FIG.7, and CP – FIG. 8.

Eight Locations of Action are used in the workflow charts to graphically illustrate the transition of the One Page document, from the Requirer to the Permanent File, and are easily recognized except for PTA, which is the Purchase Tracking and Action System, representing the focal point control for the entire purchasing segment of the system.

In support of the PD System, FIG. 3 & 6 is a choice of a Purchase
Worksheet-Fixed Assets, FIG. 9, or Purchase Worksheet – Expense Items
FIG. 10.
In support of the CP System, FIG. 5 & 8, is a Contract Purchase
Worksheet FIG. 11.

At each point of action, the One Page is documented for recognition of
completion, with appropriate dates and electronic signatures.

A time schedule is maintained for each document's action and upon
default a follow up system goes into effect.

Also, at any point of action, any reason for not continuing the document is
anticipated by an Action Change Request form, FIG. 12, which is
completed and with the document, is reversed in the system for any
correction needed to the document.

 In addition, the payment process, paying from the purchaser's bank to the
vendor's bank is referred to as Treasurer's Vendor Payment Computer
System (TC) and is described in a workflow chart, Workflow of Vendor
Payment System, FIG. 13. The Location of Action comprises eight
positions of action, starting with the PTA sending the payment advice to
the payer's bank, either on line for large activity of by use of a Vendor
Remittance Sheet, FIG. 14, and the TC System picking up the action to
provide the necessary cash and ending with TC making the necessary
accounting entries and advising vendor of the payment made, in the form
of a Statement, FIG. 15, then sending the document back to PTA and
Permanent File.

The descriptive list of software is shown here as Computer Programs for the One Page Purchasing System, FIG. 16, and closely follows the Location of Actions described earlier. They are grouped as:

A. Resources

B. Purchase Tracking and Action System

C. Vendor Payments

D. Permanent and Storage Files

E. Security and Auditing

F. Management Reports

The various components referred to above, are contained in the following referenced pages.

One Page Purchasing System

| To be:
1) Expensed
2) Capitalized | – – – | Requirer
Identifies
Items Needed | – – – | Use:
1) New
2) Continuing
3) Replacement |

| Matched Against
Company Criteria
for
Purchasing | – – – | Resources
1) Co. Policies and
Procedures
2) Justification List
3) Funds Available
4) Intra Company
Sources |

| Selection of
Products and
Vendor | – – – | Resources
1) List of Vendors
2) Vendors Catalogs etc
3) Shipping Data
4) Company Contracts
5) Recieving Locations |

| Type of System
Chosen | – – – | Resources
1) Size of Order
2) Type of Need
3) Authorization List |

| Purchase Short
Orders (PSO)
Under $_____ | Purchase
Documents (PD)
Over $_____ | Contract
Purchases (CP)
For Any Amount |

| Order
Direct From
Vendor | Processed Through
Purchasing Dept | Order Direct
From Vendor |

| Email
PSO Form
to Vendor | Email
PD Form
to Vendor | Email
CP Form
to Vendor |

| See Workflow
Chart and
PSO Form | See Workflow
Chart and PD Form
and Purchase Worksheet | See Workflow Chart
and
CP Form |

Vendors Payment Statement

Payment data Sent to Buyers Bank

Payments Sent to Vendors Bank

Vendors Payment Statement sent to Vendor

See Workflow Chart
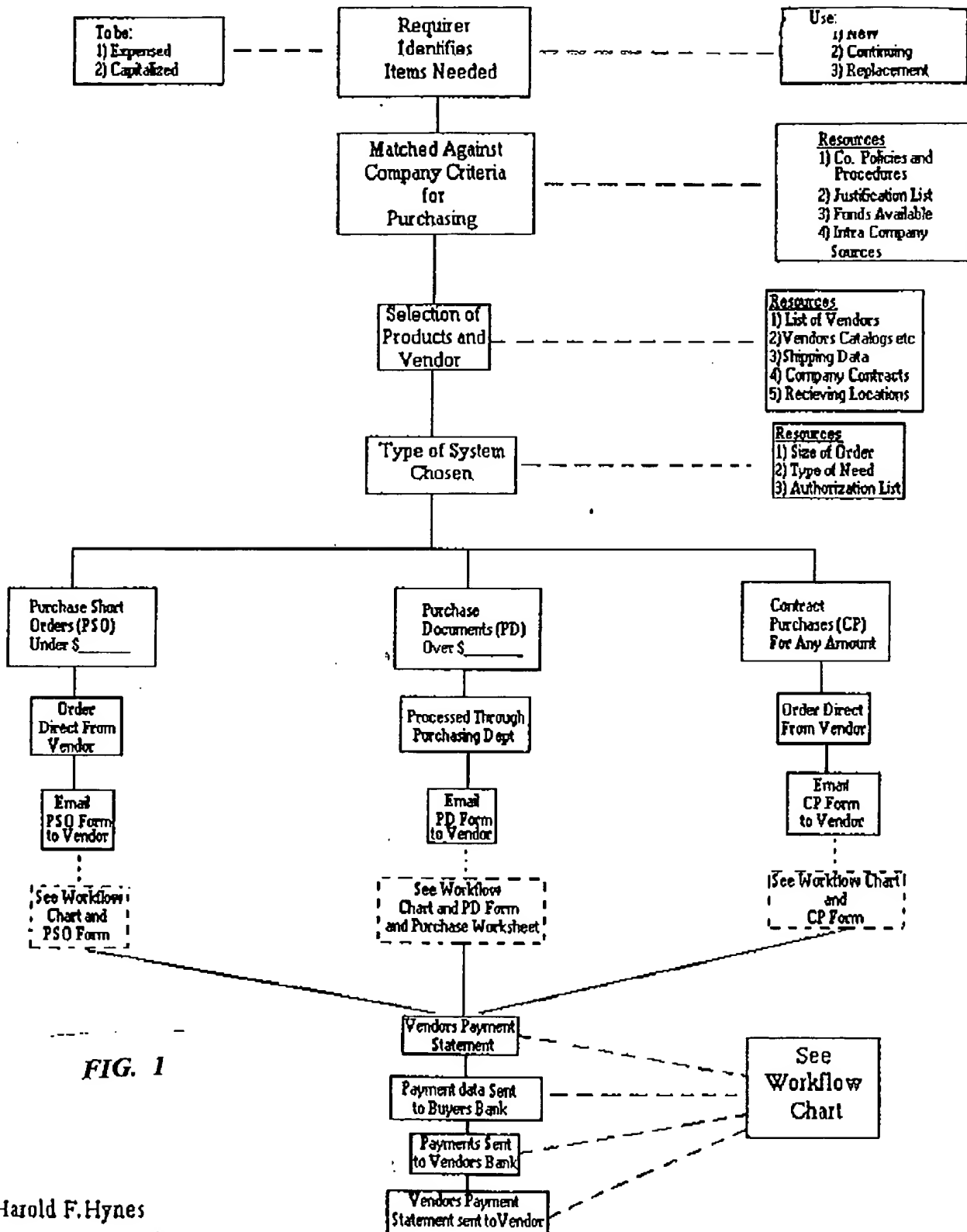
FIG. 1

Harold F. Hynes

ONE PAGE PURCHASING SYSTEM
Purchasing Menu

Click once for need   - Click again to void   ( ) Return to Desk Top

( ) Company Purchasing Policies
( ) Purchasing Procedures
( ) Purchasing Authorizations
( ) Purchasing Organization and Personnel
( ) Receiving Organization and Personnel
( ) Payment Organization and Personnel
( ) Justification Criteria
( ) My Active Vendor Data
( ) New Purchase Search Form
( ) My Purchase Worksheet in Process
( ) My Orders in Process
( ) My Orders Behind Schedule
( ) My Purchase Documents Being Changed

SURPLUS CONTROL
( ) Excess Fixed Assets
( ) Excess Inventories
( ) Similar Product Ordered in Past 30 Days
( ) Similar Product Orderers

VENDOR DATA BASE
( ) Alphabetical Listing of Vendors
( ) List of Open Contracts
( ) Product Listing With Sources
( ) Company Electronic Source Catalog
( ) My Open Orders
( ) My Last 30 Day Purchases – By Date
( ) My Completed Orders – 2 Years, By Date
( ) My Completed Orders – 2 Years, By Vendor

COST CONTROL
( ) My Fixed Asset Purchases – Yr. to Date, vs. Budget
( ) My Expense Purchases – Yr, to Date, vs. Budget
( ) My Net Purchase Price Cost Increase- This Year Over Last Year

ACCOUNTING DATA BASE
( ) Chargeable Fixed Asset Accounts
( ) Chargeable Expense Accounts
( ) Depreciation Accounts

FIG. 2

ONE PAGE PURCHASING SYSTEM

Workflow of Purchase Document (PD) - Items Over $_____

Action	Requirer	PTA*	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
Location of Action								
1. Need for item is determined by Requirer	X							
2. Need matched against policies & criteria	X							
3. Identify right purchasing system to use	X							
4. Complete one of two Purchase Worksheets	X							
5. Tentative selection of product and source	X							
6. Prepare Purchase Document (PD)	X							
7. Requirer signs PD and sends to Purchasing	X ———→	X						
8. Purchasing finalizes PD		X						
9. Purchasing assigns number and signs PD		X						
10. Purchasing places PD in Purchase Tracking and Action System PTA		X ←—	X					
11. PTA sets up PD in Follow up and Permanent Systems, with number control		X ——————————————→					X —→	X
12. PTA sends PD to vendor		X ———→		X				
13. If confirmation requested. Vendor acknowledges, sending PD to PTA		X ←———		X				
14. Vendor fills order, assigns invoice number, and/or signs PD and sends it to PTA		X ←———		X				
15. Vendor prepares bar code label showing PD and Invoice numbers				X				
16. Vendor attaches label to outside of shipment and ships to Receiving				X —→	X			
17. PTA sends PD to Receiving, anticipating receipt of shipment		X ——————————→			X			
18. Receiving lists PD in work calendar					X			
19. PTA lists number of PD in Follow up with anticipated date of receipt		X ————————————————————→					X	
20. Receiving upon delivery of shipment uses hand held reader-computer to secure PD					X			
21. Receiving checks items, noting on PD					X			
22. Upon verification, Receiving signs PD and sends it to to PTA		X ←———————			X			
23. PTA notes delivery in Follow up		X ————————————————→					X	

FIG. 3

ONE PAGE PURCHASING SYSTEM

Workflow of Purchase Document (PD) - Items Over $_____ cont.

Action	Location of Action							
	Requirer	PTA	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
24 PTA Sends PD to Requirer re. delivery	X ⟵----X							
25. Requirer checks items, signs and sends To PTA	X----⟶X							
26.PTA notes Requirer acceptance in Follow up and Permanent Files		X--------------------------------------⟶ X-----⟶X						
27. PTA records charges & credits in accounting system		X----------------------------⟶X						
28. PTA lists PD with other vendor's PDs ready for scheduling payment		X (Sent to Vendor Payment System)						

Harold F. Hynes

ONE PAGE PURCHASING SYSTEM

Workflow of Purchase Short Orders (PSO) - Items Under $_____

Action	Location of Action							
	Requirer	PTA	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
1. Need for item is determined by Requirer	X							
2. Need matched against policies & critieria	X							
3. Select PSO form for purchase	X							
4. Select product and source	X							
5. Prepare PSO	X							
6. Secure PSO number	X							
7. Sign, if authorized, or get approved	X							
8. Place PSO in Purchase Tracking and Action System (PTA)	X----->X							

(continue with steps 10 – 28 for Workflow of Purchase Document (PD) - Items over $_____
except substitute PSO for PD)

Harold F. Hynes

FIG. 4

ONE PAGE PURCHASING SYSTEM

Workflow of Contract Purchases (CP)

Action	Require	PTA	Purch Dept	vendor	Receiving	Acct.	Follow up	Perm. File
				Location of Action				
1. Need for item is determined by Requirer	X							
2. Need matched against policies & criteria	X							
3. Prepare Contract Purchase Worksheet for order over $_____	X							
4. Select CP form for purchase	X							
5. Select product and source	X							
6. Prepare CP	X							
7. Secure CP number	X							
8, Sign, if authorized, or get approved	X							
9. Place CP in Purchase Tracking and Action System (PTA)	X ↔	X						

(continue with steps 10-28 for Workflow of Purchase Document (PD) – items over $_____ except substitute CP for PD.

Harold F. Hynes

FIG. 5

Purchase Document (PD) No._____ Items over _____	To:_____ Address:_____ _____ Email:_____	Vendor's Invoice No._____ Attention_____ Our Acct No._____

From:	Address	
Our Email to:	Attention	Date

Receipt Verf.	Description	Your catalog no.	No. of Order Units	Unit Price			Total Cost
				Gross	% dis	Net	
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							

Send order to:		Total	
Via: Attention:		Shipping and Handling	
Charge Acct	Shipping Paid by	Duties etc	
	Requires Delivery by	Sales Tax	
	Mark Bar CodeLabel PD & Invoice No.	Total	

Use for Items:(✓) New	Continuing	Replacement	Dept
Location		Requirer	

Date Received	Action	Completed By			To Next Action
		Type Name	Signature	Date	
	Requirer prepares PD				O
	Purchase Dept Assists				O
	Vendor confirms PD				O
	Vendor ships Items				O
	Receiving Verifies Items				O
	Requirer Approves Items				O

P D Sched for Payment on	Verf. O	Vendors Statement to be Sent on		Verf. O
Security Reviewed by	Date		Ref.	
Audit Reviewed by	Date		Ref.	
Make Payment to Vendor's Bank		Address		
Wire Address		Vendor's Bank Account No.		

FIG. 6

Notes   Vendor's assignment of invoice number shown above confirms acceptance of order and amount.
For possible changes needed, delete your action dot and previous action dot, to view Action Change Request form.

Purchase Short Order (PSO) No._____ Items under_____	To:_____ Address:_____ Email:_____	Vendor's Invoice No.·_____ Attention_____ Our Acct No._____

From:	Address	
Our Email to:	Attention	

Receipt Verf.	Description	Your catalog no.	No. of Order Units	Unit Price			Total Cost
				Gross	% dis	Net	
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							

Send order to:		Total	
Via: Attention:		Shipping and Handling	
Charge Acct	Shipping Paid by	Duties etc	
	Requires Delivery by	Sales Tax	
	Mark Bar CodeLabel: PSO & Invoice No.	Total	

Use for Items:(✓) New	Continuing	Replacement	Dept
Location		Requirer	

Date Received	Action	Completed By			To Next Action
		Type Name	Signature	Date	
	Requirer prepares PSO.				O
	Vendor confirms PSO.				O
	Vendor ships Items				O
	Recieving Verifies Items				O
	Requirer Approves Items				O
					O

PSO Sched. for Payment on	Verf. O	Vendors Statement to be Sent	Verf. O
Security Reviewed by	Date	Ref.	
Audit Reviewed by	Date	Ref.	
Make Payment to Vendor's Bank		Address	
Wire Address		Vendor's Bank Account No.	

FIG. 7

Note: Vendor's assignment of invoice number shown above confirms acceptance of order and amount.
   For possible changes needed, delete your action dot and the previous action dot, to view Action Change Request form.

Contract Purchase (CP) No._____	To:_____ Address:_____ Email:_____	Vendor's Invoice No._____ Attention_____ Our Acct No._____

From:	Address	
Our Email to:	Attention	

Receipt Verf.	Description	Your catalog no.	No. of Order Units	Unit Price			Total Cost
				Gross	% dis	Net	
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							
O							

Send order to:		Total	
Via:	Attention:	Shipping and Handling	
Charge Acct.	Shipping Paid by	Duties etc	
	Requires Delivery by	Sales Tax	
	Mark Bar CodeLabel: CP & Invoice No.	Total	

Use for Items:(√) New	Continuing	Replacement	Dept
Location			Requirer

Contract Dates From   to   Vendor Rep.

Date Received	Action	Completed By			To Next Action
		Type Name	Signature	Date	
	Requirer prepares CP				O
	Vendor confirms CP				O
	Vendor ships Items				O
	Recieving Verifies Items				O
	Requirer Approves Items				O
					O

CP Sched. for Payment on	Verf. O	Vendors Statement to be Sent		Verf. O
Security Reviewed by	Date	Ref.		
Audit Reviewed by	Date	Ref.		
Make Payment to Vendor's Bank		Address		
Wire Address		Vendor's Bank Account No.		

FIG. 8

Notes
Vendor's assignment of invoice number shown above confirms acceptance of order and amount.
For possible changes needed, delete your action dot and the previous action dot, to view Action Change Request form.

PURCHASE WORKSHEET - FIXED ASSETS

PD No._____PW
(orders over $_____)

items to be Secured_____

Where Will They be Used_____

Shipping Requirements: Urgency_____Size_____Weight_____Shipper_____

Type of Order: Replacement_____New Use_____Addition_____Total Cost_____

Could They be Secured by Leasing_____Cost_____Benefits_____

Possible Purchase Sources & Cost_____

_____Preference_____

Is Bidding to be Used_____

Possible In-House Source of Idle Equipment_____

Are Funds Available_____In Budget_____Source_____

REPLACEMENTS:

Items Being Replaced_____

Date of Acquisition_____Original Book Value _____Depreciation Reserve_____

Reason for Replacement_____

Are Old Items Still in Use_____Problems_____

Use for These Items_____

Any Trade-in or Resale Value_____

Other Plans for Disposition_____

% of Working Time used by Items Replaced_____No. of Users_____Principal User_____

Will Replacement Items Have Greater Capacitiy_____How Much_____

Other Justifications_____

NEW USE AND ADDITION ITEMS

What Are Their Uses_____

Can They Produce More Profits_____Describe_____

Other Justifications_____

Will Special Services, Housing, Safeguarding, Etc. Be Required_____Describe_____

What Other New Items Will Be Needed For These Items_____

Expected Useable Life of Items_____Depreciation Rate_____Account to Charge_____

Expected % of Worktime In Use_____No. of Users_____Principal User_____

Other Details_____

Prepared By_____Date_____Approved By_____Date_____

Audited By_____Date_____Reference No._____

FIG. 9

PURCHASE WORKSHEET – EXPENSE ITEMS

PD No._____PW
(orders over $_____)

Estimated
Items to be Secured_____ Cost $_____
Why Are They Necessary_____
Where Will They be Used_____
Shipping Requirements: Urgency_____Size_____Weight_____Shipper_____
Possible In House Sources_____Where_____When_____How_____
Possible Purchase Sources & Cost_____
Competitive Prices_____Use of Bids_____
Preferred Source_____-Why_____Cost_____
Notes:

NEW USE ITEMS

Will orders be repeated_____Est. Use_____Period of Use_____Frequency of Use_____
Optimum Order Size_____Storage Problems_____Quality Needs_____
Volume Price Advantage (quantities & Prices)_____
Related Purchases Necessary_____Cost_____
Notes_____

CONTINUING USES

Inventory
Stocking Inventory – Description_____Location_____ Turnover_____
Last Order Date_____Quantity_____Consumption Per _____
Last Order Source_____Contact_____Price_____
Substitute Products Available_____Price_____
Notes_____

REPLACING EQUIPMENT – EXPENSED

Items Replaced_____Age_____Still Useable_____
Reason for Replacement_____Planned Disposition_____
Notes:_____

FIG. 10

Prepared by:_____Date_____Approved by_____Date_____

CONTRACT PURCHASE WORKSHEET   Worksheet for Contract No._____
     (Over $_____)   Worksheet for CP order No._____

Name of Vendor_____Address_____Email_____
Contract: CP file No._____Products_____See File_____
Contract Date_____Signed: CO._____Vendor_____
Type of Contract_____From_____To_____
Products Shipped From_____Best Shipping Services_____No. Days._____
Basis for Shipping & Handling Charges_____:
Basis for Other Charges_____

PURCHASES FOR LAST FOUR QUARTERS		LAST FIVE PURCHASES			NO'S OF UN-FAVORABLE RATINGS
Ending	Amount	Date	Quantity	Amount	
_____	$_____	_____	_____	$_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	This Purchase			
		_____	_____	_____	_____

RATINGS OF VENDOR   EXCEL. GOOD FAIR POOR   NOTES
FOR THIS PURCHASE

                   NO.
Right: Items

     Quantity   1. _____

     Quality   2. _____

     Timing   3. _____

     Product Service   4. _____

     Warranties   5. _____

     Credit Terms   6. _____

     Working Relations 7. _____

Our Deficiencies_____

Possible Improvements_____

Receiver's Name_____Date Received_____
Notes on Changes Made:
     (This form serves (1) as a permanent updated guide for new purchases, retrieved from the Vendor's
     contract file, and (2) as a report on the vendor's performance for the current purchase when reviewed
     with the CP form at time of receiving items)

FIG. 11

ACTION CHANGE REQUEST

By:

_____

Email Contact_____

Date_____

Item(s) Questioned:_____

_____

_____

_____

_____

Requested Action:_____

_____

_____

_____

_____

Reason:_____

_____

_____

_____

_____

_____

ORDER NUMBER:
PD_____
PSO_____
Contract_____

Requirer:

_____

Reviewed by: _____ Referred to:_____

Comments} _____

_____

Return to _____Click Here O _____

Action Taken:
Order Changed_____
Order Cancelled_____
New Order Placed_____
Delayed to_____
Other_____

_____

Form of Change Made:

_____

_____

_____

_____

_____

Approved by: Date: Next Action   O _____

FIG. 12

ONE PAGE PURCHASING SYSTEM

Workflow of Vendor Payment System (for low volume companies)

| Action | Computer System | | | BANKS | | | Purch | Vendor |
	PTA	Treas	Acct.	Pymt. Acct	Vendors	General		
Purchasing secures payment data and arranges Payment schedule with vendor							X	X
Purchasing sends data to PTA	X ←							X
PTA lists data in Research File	X							
PTA sets 30 day pymt sched for vendor	X							
PTA accumulates all vendor's orders in 30 days	X							
PTA prepares daily Remittance Sheet listing Vendors to be paid each day, with banks, accounts And amounts to be wired								
PTA Emails daily list to Company's bank	X———→X							
Company's bank wires payments same day to Vendors banks					X ——→X			
Company's bank inserts payment numbers on Remittance Sheet					X			
Company's bank Emails Remittance Sheet to Co's Treas. Computer with cash report		X←——X						
Co's TC reconciles cash account		X						
Co's TC arranges necessary transfer of cash to Pymt account by electronic transfer		X————→X						
TC puts through computer accounting entries for Charges and credits, including vendors		X———→X						
TC Emails vendor a statement showing payment, with PD and invoice numbers and payment reference		X——————————————————————→X						
TCA sends vendor's payment reports to PTA	X←—X							

FIG. 13

VENDOR REMITTANCE SHEET TO:_____(our bank)_____Email_____

From:_____Email_____Acct. to Charge_____

Please wire these payments to the following banks for their depositor accounts on _____

BANK	ROUTING NO.	DEPOSITOR	ACCT. NO.	AMOUNT	WIRE NO..

FIG. 14

Payment Charges_____
Service Charges _____
Total Chg. A/C   _____

Completed by:(print)_____ (sign)_____Date_____

(COMPANY'S NAME)   Email_____Date_____

Statement to: _____Email_____Attention_____

Today we have deposited $_____ in your bank account number_____

At_____for your invoices, with our orders, listed as follows:

Date Mdse. Received	Your Invoice Number	Our Order Number	Amount	Confirmed

— — — — — — —

FIG. 15

Our bank advises us that their wire reference for this deposit is_____.

If there is an error in these items, please Email a copy of this statement to the above address, showing the item not verified, with any notes.

COMPUTER PROGRAMS FOR THE ONE PAGE PURCHASING SYSTEM

The System introduces a one page document to replace:

- A purchase requisition – requesting a purchase order for merchandise needed
- A purchase order – to place an order with a vendor
- A delivery document accompanying shipment, for verifying contents
- A vendor's invoice received by the buyer to make payment

And

- The monthly statement received from the vendor would be eliminated

This document would travel electronically to each action location – being electronically signed at each point when action is completed, or vendor approved by assigning an invoice number on the document, and moved to the next location. Related steps would be initiated by the computer to take other completed orders with the same vendor and make necessary payments and accounting entries, etc. based on items received.

Computer programs to be made part of the system are grouped here as:

A. Resources
B. The "One Page" Purchase Tracking and Action System
C. Vendor Payments
D. Permanent and Storage Files
E. Security and auditing
F. Management Reports

FIG. 16

A. RESOURCES – would include the following information available in the computer.

1. Description of company's purchasing policies and procedures
2. Schedule of authorization limits
3. Accounting for new and retired fixed assets
4. Accounting for expense items
5. List of idle equipment available in the company
6. List of customary vendor sources, etc.
7. Vendors catalogues, prices and shipping data
8. List of shippers
9. Shipping and handling charges
10. List of company contracts
11. Receiving locations
12. Other resources

___

B. THE ONE PAGE PURCHASE AND TRACKING SYSTEM

The computer system would have a "Purchasing and Tracking System" to do the following:

1. Provide a data base system to be drawn upon for each new purchase document
2. For each purchase document it would provide:
   a. A purchase worksheet for backup data supporting the order.
   b. A copy of the one page order
   c. A program to have each approver send a copy of the order to the next location.
   d. A program to have the recipient return the approved copy, updating the preceding base copy (and any action data added)
   e. A program to set a delivery time schedule with an alarm signal for time failures.
   f. A program to send an updated copy of the completed stages to storage at a different location.
   g. A program to read the account numbers from the order for the amounts to be processed into the accounting system when required, showing date of completion and reference data.
   h. A program to transfer the order data to a statement to vendors
   i. A program to set up the order document and the purchase worksheet in a permanent active file with number and vendor's identification.
   j. A program to limit accessibility to these data.

C. VENDOR PAYMENT PROGAM – would include the following sub programs.

1. A program to group the orders for each vendor to be paid, listed by order number, vendor "invoice" number, and amount, with a cumulative total.
2. A program to balance the number of payments to be processed daily, from A 30 day period of payments due.
3. A program to select the payments to be scheduled each day.
4. A program to continuously list the specific vendor accounts to be processed on line, showing name, vendor's bank account identification, and amount to be paid.
5. A program for the company's bank to send this list to the company's bank for them to wire payments to the vendors' banks.
6. A program to have this list returned, with payment references.
7. A program to send copy of the vendor's payment statement to vendor.

8. A program to receive a daily bank statement showing previous day's cash activity with reconciliation done on the computer.

9. An accounting program to record the accounts payable and cash transactions, including vendors' accounts.

D. **PERMANENT AND STORAGE FILES PROGRAM** -- would include the Following sub programs.

1. Instructions for files systems
2. A program for programs
3. Retentions record schedule
4. Index of permanent file – by number, vendor and date
5. Index of storage file – by number, vendor and date
6. Computer file locations
7. Record of search inquiries
8. Record of permanent file restorations
9. Use as a percent of storage capacity

E. SECURITY AND AUDITING PROGRAM – would include the following sub programs:

These programs are designed to find errors and misuse of the existing systems, and recognize deficiencies in the systems. They will be performed by human effort, but assisted by computer programs which will be accessible at appropriate dates and unscheduled timing. Certain situations such as incorrect order numbers or unauthorized documents can be detected by the computer programs, producing an alarm for remedy. Much of the work would be done on a test basis.

1. Control of number system
2. Signals which numbers aren't accounted for.
3. Checking for lack of authorizations
4. Checking for improper changes in order details
5. Checking for existence of justifications.
6. Checking that orders are not padded with excess prices and quantities
7. Checking that merchandise ordered is received and used.
8. Checking that the amounts paid agree with the purchase document
9. Checking for collusion between employees or with vendors.
10. Checking that the amounts paid are reaching the right vendors.
11. Recognizing and preventing hackers attempting to disturb the system and divert funds.

12. Checking competitive opportunities being exercised for selection of vendors.
13. Checking that company policies and practices are being observed.
14. Checking that accounts are properly processed.
15. Checking that the system is functioning correctly with minimum of errors.

F MANAGEMENT REPORTS FOR COMPUTER PROGRAMMING

Responding to the management objectives of optimum profits and financial position, management information for purchasing centers around measuring performance to achieve; the right item, quantity, quality, price, timing, warranty, credit terms and sources, at the right cost of performing the function of purchasing.

Each of these requirements can be related to specific product needs for evaluation, plus measuring the cost of purchasing.

Programs can be introduced to:

1. List sales products by those which have the highest percent of purchased raw materials of their total cost, showing the percent and dollar size of the material cost, along with unit cost of the materials, comparing prior periods – accompanied by action notes

2. Lists annual purchases showing large dollar items by types of use and organizational use, arrayed by dollar size, - also annual purchases by major vendors - accompanied by action notes.

3. List major purchases by percent increase in unit costs over previous Year – accompanied by action notes.

4. List those groups of items, or large items which represent the largest share of the recent inventory compared with a prior period – accompanied by action notes

5. List those items (by significance) which have reduced in price since last year, with percentage reduction and dollar savings. – accompanied by notes.

6. List those (by significance) which have increased in price since last year, with percentage increase and dollar cost –accompanied by notes.

7. Report the split between purchases for fixed assets and expense, for a

r presentative period, with significant details.

8. Report on purchasing errors for previous quarter, by types, responsibility, and cost. Accompanied by action notes

9. Report on comparative costs of purchasing operations, by type of function and responsibility, with production figures – accompanied by action notes

10. Average number of orders issued daily by the purchasing department

11. Average daily operating cost of the department

12. Average cost per order

13. Number of orders issued per employee each month

14. Number of late deliveries from vendors

15. Percentage of deliveries having errors

16. Number of complaints on resale products

17. Number of complaints from vendors.

Harold F. Hynes